

Global Trade Withstands Tariff Turbulence – DHL Global Connectedness Tracker, 2025 Special Update

- Released in partnership with NYU Stern, the DHL Global Connectedness Tracker offers a first systematic look at shifts in global business amid trade policy turbulence
- In the first half of 2025, global trade grew faster than in any half-year since 2010, excluding the pandemic rebound
- Tariff increases hit North America's trade growth outlook hardest; South & Central America and Middle East & North Africa are the only regions with forecast upgrades
- U.S.–China business ties diminish, but no major split of the world economy between geopolitical blocs

Bonn/New York, October 14, 2025: Global trade is holding strong – even as U.S. tariffs hit highs not seen since the 1930s. DHL and New York University's Stern School of Business have released a special update to the DHL Global Connectedness Tracker, offering the first systematic assessment of how international trade and business investment are reacting to shifting U.S. trade policy under President Trump's second term. This edition draws on over 20 million data points from more than 25 sources to provide a comprehensive overview of the changing landscape of globalization and global trade.

Global trade on track to match growth rate of previous decade through 2029

Global trade is projected to keep growing. The Tracker's composite forecast projects a 2.5% annualized growth rate in global trade volumes from 2025 to 2029 – roughly matching the pace of the previous decade. One reason why trade can continue growing even as the U.S. raises tariffs is that only 13% of global goods imports went to the U.S. in 2024 and 9% of exports came from the U.S. Another is that most countries have not followed the U.S. in implementing broad tariff increases.

“Despite all the headwinds, the DHL Global Connectedness Tracker highlights the enduring strength of global trade,” said John Pearson, CEO DHL Express. “Trade barriers do not serve the world's best interests. But we must never underestimate the creativity of buyers and sellers around the world who want to do business with each other. At DHL, we're ready to help our customers seize the countless trade opportunities that continue to emerge across international markets.”

Tariffs are slowing, not stopping trade growth

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While U.S. tariffs are predicted to slow global trade growth, they are not expected to stop it. Before the current wave of tariff increases (in January 2025), global goods trade volume was forecast to grow at a 3.1% annualized rate over the 2025 to 2029 period – since downgraded to 2.5%. North America experienced the steepest downgrade, with projections falling from 2.7% in January 2025 to just 1.5% by September. Most other regions experienced smaller downward revisions.

In contrast, forecasts were upgraded for South & Central America and the Caribbean, as well as the Middle East & North Africa. Most countries in these regions face relatively small U.S. tariff increases, and Middle East trade is expected to benefit from increased oil production and exports.

Global trade defies tariff turbulence in first half of 2025

The DHL Global Connectedness Tracker also reveals that, in the first half of 2025, international trade grew faster than in any half-year since 2010, excluding the pandemic rebound. U.S. imports surged early in 2025 as buyers rushed to frontload purchases ahead of tariff hikes. China fully offset declining exports to the U.S. with increased shipments to the ASEAN (Association of Southeast Asian Nations) region, while also substantially growing its exports to Africa, the EU, and other markets. Even after the frontloading wave in the U.S. subsided, global trade volumes remained above prior-year levels.

Business decision makers continue betting on foreign markets

Data on international corporate investment during the first half of 2025 were mixed, but they underscore the general resilience of global business. There was no pattern of companies redirecting investment from foreign to domestic markets. The cross-border share of M&A deals, for example, remained largely unchanged. However, uncertainty did appear to deter some cross-border investment, especially smaller transactions and new investments during the second quarter of 2025.

“Trade and international business investment trends so far in 2025 do not support the view that globalization has gone into reverse,” said Prof. Steven A. Altman, Director of the DHL Initiative on Globalization at NYU Stern’s Center for the Future of Management. “While it would be a mistake to disregard current policy threats to globalization, companies are not generally pulling back from international markets, trade is crossing the longest average distance on record, and geopolitical conflicts have reshaped only a small fraction of the world’s international activity. The latest data show companies managing the risks and opportunities of a connected world rather than retreating to within countries or regions.”

No major split between geopolitical blocs

Despite 2024 marking the highest number of active global conflicts since World War II, the DHL Global Connectedness Tracker shows no major split of the world economy between rival geopolitical blocs. While direct U.S.–China ties continue to weaken and Russia is largely disconnected from Western-aligned economies, the world as a whole has not substantially reoriented its business ties along geopolitical lines – at least not yet.

Trade is not becoming more regional

Moreover, contrary to popular belief, the DHL Global Connectedness Tracker indicates that trade is not becoming more regional. In fact, the average distance that traded goods traveled rose to a new record of about 5,000 kilometers during the first half of 2025. The share of trade within major world regions fell to a record low of 51%. Greenfield foreign direct investment also became less regional, while international M&A activity remained at a stable level of regionalization.

Globalization holds at record high levels

The report also measures the wider phenomenon of globalization based on trade, capital, information, and people flows. It uses a scale running from 0% (no flows across national borders) to 100% (borders and distance have no impacts). Currently, the global level stands at 25% – nearly unchanged since its record high in 2022.

About the DHL Global Connectedness Tracker

The DHL Global Connectedness Tracker is a concise report and interactive website that provides regular updates on globalization and global trade. It complements the renowned DHL Global Connectedness Report, published regularly since 2011. Drawn from over 25 public, private, and academic sources, the Tracker analyzes more than 20 million data points on international flows of trade, capital, information, and people. It includes interactive online charts that make it easy for users to explore trends by region, geopolitical alignment, and for individual countries. It also supports easy data and chart downloads for offline use. The DHL Global Connectedness Tracker is commissioned by DHL and authored by Prof. Steven A. Altman and Caroline R. Bastian of New York University Stern School of Business. The DHL Global Connectedness Tracker and further resources are available at dhl.com/globalconnectedness.

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